



U.S. Department of Justice

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EVENT: Sentencing

Defendant: Nassib Saadallah Berro et al

THREE DEARBORN RESIDENTS SENTENCED IN FRAUD SCHEME

Three Dearborn residents were sentenced today by United States District Judge John Corbett O'Meara for charges related to a large-scale scheme to defraud credit card companies and the bankruptcy court, United States Attorney Stephen J. Murphy announced today.

Nassib Saadallah Berro, 62, was sentenced to 41 months' imprisonment and was ordered to pay \$468,301 in restitution. Berro pleaded guilty in August to conspiracy to commit bank and mail fraud in this case, in which all nineteen defendants pleaded guilty.

Abdul Halim Berro, 41, was sentenced to 35 months' imprisonment and was ordered to pay \$421,120 in restitution. The defendant pleaded guilty in August to conspiracy to commit bank and mail fraud.

Houda Mohamad Berro, 28, was sentenced to 12 months' and 1 day imprisonment. She pleaded guilty in August to bank fraud in connection with false statements she made to obtain mortgage loans. As part of her plea agreement, Ms. Berro agreed to forfeit the

property.

U.S. Attorney Murphy was joined in the announcement by Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation, Detroit Division and Special Agent in Charge Maurice Aouate of the Internal Revenue Service.

United States Attorney Murphy said, "These sentences help the public understand an important message: the integrity of the bankruptcy system supports the legitimacy of the system itself. We will aggressively seek prison terms for those who intentionally and repeatedly max out their credit cards with no intention of paying, then try to pay down their cards using insufficient funds checks, and finally take shelter in the bankruptcy court when the house of cards comes tumbling down. I applaud the efforts of our AUSAs as well as the FBI and the IRS to successfully investigate and obtain convictions of all of the defendants involved in this complex and varied scheme."

"An entire family thought they had the skills to defraud the banking industry by using a credit card "bust-out" scheme, which was far from the truth," said Aouate. " Now they must all face the necessary consequences of their actions."

According to documents filed in the case, from March 1999 through April 2004, the defendants defrauded numerous creditors and the bankruptcy court through a large-scale credit card "bust out" scheme. As part of the scheme, Nassib Berro and Abdul Halim Berro processed numerous credit card transactions, never intending to pay for the charges. The defendants maximized the value they could obtain from the credit cards by making charges on the cards, submitting non-sufficient funds checks to free up the available credit on the card, and then making additional charges on the cards before the card issuers became aware that the checks were worthless. The defendants then took steps to evade collection efforts by creditors by declaring bankruptcy so creditors could not attach assets or otherwise collect on amounts owed. Through their bankruptcy proceedings, these two defendants sought to avoid payment of nearly \$1 million in debt.

The defendants also concealed assets from the bankruptcy court. Houda Berro purchased and refinanced a residence, making fraudulent statements to qualify for mortgage loans so that Abdul Halim Berro's true ownership in the property was concealed from

bankruptcy authorities.

Remaining defendants will be sentenced later this month and in January.

The investigation of this case has been conducted by the Federal Bureau of Investigation and the Internal Revenue Service. The case has been prosecuted by Assistant U.S. Attorneys Cathleen M. Corken and Barbara L. McQuade.